

House Engrossed

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 193

HOUSE BILL 2369

AN ACT

AMENDING SECTION 36-422, ARIZONA REVISED STATUTES; RELATING TO LICENSING OF
HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-422, Arizona Revised Statutes, is amended to
3 read:

4 36-422. Application for license; notification of proposed
5 change in status; joint licenses; definitions

6 A. A person who wishes to be licensed under this chapter to operate
7 a health care institution shall file with the department an application on
8 a form prescribed, prepared and furnished by the department. The application
9 shall contain the following:

10 1. The name and location of the health care institution.

11 2. Whether it is to be operated as a proprietary or nonproprietary
12 institution.

13 3. The name of the governing authority, and, if other than an
14 individual, the names of the persons having its control. The applicant shall
15 be the governing authority having the operative ownership of, or the
16 governmental agency charged with the administration of, the health care
17 institution sought to be licensed.

18 4. The class or subclass of health care institution to be established
19 or operated.

20 5. The types and extent of the health care services to be provided,
21 including emergency services, community health services and services to
22 indigent patients.

23 6. The name and qualifications of the chief administrative officer
24 implementing direction in that specific health care institution.

25 7. Other pertinent information required by the department for the
26 proper administration of this chapter and department rules.

27 B. An application filed pursuant to this section shall be signed as
28 follows:

29 1. If the applicant is an individual, by the owner of the health care
30 institution.

31 2. If the applicant is a partnership or corporation, by two of the
32 partnership's or corporation's officers.

33 3. If the applicant is a governmental unit, by the head of the
34 governmental unit.

35 C. An application for licensure or relicensure shall be filed at least
36 sixty but not more than one hundred twenty days before the anticipated
37 operation or the expiration date of the current license. An application for
38 a substantial compliance survey submitted pursuant to section 36-425,
39 subsection C shall be filed at least thirty days prior to the date on which
40 the substantial compliance survey is requested.

41 D. If a current licensee intends to terminate the operation of a
42 licensed health care institution or if a change of ownership is planned
43 either during or at the expiration of the term of the license, the current
44 licensee shall notify the director in writing at least thirty days before the
45 termination of operation or change in ownership is to take place. The

1 current licensee is responsible for preventing any interruption of services
2 required to sustain the life, health and safety of the patients or residents.
3 A new owner shall not begin operating the health care institution until the
4 director issues a license.

5 E. A licensed health care institution for which operations have not
6 been terminated for more than thirty days may be relicensed pursuant to the
7 standards that were applicable under its most recent license.

8 F. If a person operates ~~an accredited~~ A hospital in a setting that
9 includes ~~accredited~~ facilities of the hospital which are located separately
10 from the main hospital building, the department shall at the request of the
11 applicant or licensee issue a single group license to the ~~accredited~~ hospital
12 and its designated ~~accredited~~ facilities located within one-half mile of the
13 main hospital building if the ~~accrediting body standards~~ for all OF the
14 facilities meet or exceed department licensure requirements for the
15 designated facilities. At the request of the applicant or licensee, the
16 department shall also issue a single group license that includes the
17 ~~accredited~~ hospital and not more than five of its designated ~~accredited~~
18 satellite facilities that are located farther than one-half mile from the
19 main hospital building if the ~~accrediting body standards~~ for all OF these
20 facilities meet or exceed applicable department licensure requirements. ~~In~~
21 ~~addition to accrediting body standards,~~ Each facility included under a single
22 group license is subject to the department's licensure requirements that are
23 applicable to that category of facility. Subject to compliance with
24 applicable licensure or accreditation requirements the department shall
25 reissue individual licenses for the facility of a hospital located in
26 separate buildings from the main hospital building when requested by the
27 hospital. This subsection does not apply to nursing care institutions and
28 residential care institutions. The department is not limited in conducting
29 inspections of an accredited health care institution to ensure that the
30 institution meets department licensure requirements.

31 G. If a county with a population of more than one million persons
32 operates an accredited hospital that includes the hospital's accredited
33 facilities that are located separately from the main hospital building and
34 the accrediting body's standards as applied to all facilities meet or exceed
35 the department's licensure requirements, the department shall issue a single
36 license to the hospital and its facilities if requested to do so by the
37 hospital. If a hospital complies with applicable licensure or accreditation
38 requirements, the department shall reissue individual licenses for each
39 hospital facility that is located in a separate building from the main
40 hospital building if requested to do so by the hospital. This subsection
41 does not limit the department's duty to inspect a health care institution to
42 determine its compliance with department licensure standards. This
43 subsection does not apply to nursing care institutions and residential care
44 institutions.

1 H. This section does not limit the application of federal laws and
2 regulations to an applicant or licensee certified as a medicare or an Arizona
3 health care cost containment system provider under federal law.

4 I. For the purposes of this section:

5 1. "Accredited" means accredited by a nationally recognized
6 accreditation organization.

7 2. "Satellite facility" means an outpatient facility at which the
8 hospital provides outpatient medical services.

APPROVED BY THE GOVERNOR MAY 12, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2003.

Passed the House March 10, 2003,

Passed the Senate May 5, 2003,

by the following vote: 57 Ayes,

by the following vote: 29 Ayes,

0 Nays, 3 Not Voting

0 Nays, 1 Not Voting

Jake Flake
Speaker of the House

Klu Bennett
President of the Senate

Norman L. Moore
Chief Clerk of the House

Charmine Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6 day of May, 2003

at 12:06 o'clock P. M.

Dorinda Ramirez
Secretary to the Governor

Approved this 12 day of

May, 2003,

at 9 o'clock A. M.

Jan Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 13 day of May, 2003,

at 11:03 o'clock P. M.

Janice L. Brewer
Secretary of State

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